

## EXHIBIT 195

**Watson**

SOM benchmarking with Purdue

3/20/12 pre-meeting

- Purdue has a contract with wholesalers to buy sales data
- Design system so that they get real time information about wholesaler sales
- Team for SOM - Customer Service, Corporate Security, CS Compliance
- Algorithms set up
- Value Tract may have come out of Purdue effort
- Watches total sales to wholesaler, to individual store (unless blinded like CVS), orders/day, strength, cash payments
- Jack can give us contact names at big wholesalers - Customer Service at SOM can contact them to ask for their SOM program info Jack said wholesalers have questionnaires, photos of stores, they also have system to monitor thresholds

3/21/12 Attendees ✓ Stephen Seid, executive director,  
national accounts, Purdue  
Jack Crowley Controlled Substance Act Compliance  
Purdue  
✓ Rebecca Lyons VP SOM  
Mike Levitt, Michele Dempsey  
Bruce Keele, Greg Wolski ✓

# Watson.

prior to 2008: order monitoring  
then got 2 letters from Lannazisi →  
Purdue enhanced in 2008

Design program to characterize data  
exposure to retail data "know your  
customer's customer"

Technical experts in sales data so  
committee could utilize

Solidified relationship <sup>help</sup>  
Help wholesalers & make judgement

Need relationship w/ DEA Send message to  
DEA so they know what you are  
doing & they will leave you alone

2009 First mtg w/ DEA  
Two other meetings since at HQ  
& conferences side bar.

Generics - sending letters / demands  
to wholesalers - not right approach  
Collaborate better

- all do differently
- one company - no email / only verbal

Order monitoring staff - Anti diversion  
group - director of regulatory affairs

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Trade relations - contact names

SOP had to be strengthened

SOM Committee

→ Chairperson VP / General Counsel  
 VP Corp Sec Chief  
 Executive director P&A  
 Staff National Accounts  
 Director of SOM program  
 Security Investigation  
 Attorney in prescriber  
 professional reps from sales  
 force + systems

- Business involved

- meet monthly  
 discuss trends

focus on certain accounts or  
 hot spot areas  
 data analysis

look at all products  
 have an agenda

Between meetings - meet w/ Wholesalers

for orders looked at daily basis

Channel Strategy 866 data

orders monitored - reach out

Order → use day to day

Value Center data to send message when

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doesn't meet guidelines

Different Algorithm for SC

- 867 data

- trend prescriber data
- tie in co-pay relief card into to see anomalies

Reps not on committee - but  
internal program to reach out  
to reps for input on  
pharmacies

Grog → 867 data - blinded  
trying to fix - purchasing  
data from Walgreens

Walmart retail data

Post Industry wide on Sch II can't  
accept blinded data? Can we  
push?

Florida - if I was a major chain  
I would unblock & ask for help  
No organize outcry yet But makes  
sense to unblind

zip codes - prescribers of concern do  
targeting zip code pharmacies  
if had CVS/Walgreens would be benefit

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Order flagged → ~~does not~~

only 3 can release orders

Channel Mgmt → ~~Steve / John~~

+ Stephen only release

~~867 sales data~~

852 data - ordering pattern

deviants in order data

SKU

867 data - suspicious

occassion limit wholesalers

sensitive to

Wholesalers relationship

Purdue - rarely

called & said concerned about acct X  
seen it before will cut orders to  
wholesalers

System can automatically cut it

Source centrally or DCs?

CSOS - yes / not <sup>all</sup> wholesalers -- benefit of not doing - every order  
gets person review & second checkHeadcount 10-15 regular / 5 product  
sales people not included



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How resource intensive ~~it~~?

are there checks? flags for thresholds?

Resources continually reviewing

A lot of people at Purdue invested in  
SOM program

Algorithm internal system does a lot for  
us

- Uses SAP, Algorithm wh. 2 - tweaks  
algorithm instantly

- Looking at on <sup>their</sup> screen

① Can see largest purchaser

② total sales

③ # w

④ orders / day

⑤ strength info

compare 3 months 6, 9, 12  
room for committee to make comment  
categories - "pending, complete refer-  
refer w/ wholesalers to DEA"

\* DEA → wholesalers need to evaluate  
medical practice & pharmacy

Most time appreciate input

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New product → no historical data  
 continuous evaluating  
 different set of rules for 1<sup>st</sup> year?

or same concept of line by line review  
 "But factor"

- controlled substances - have experience  
 if already see for one C<sup>S</sup> # only  
 see

Pharmacies

# wholesalers used  
 # larger strength vs lower  
 # orders  
 # paid in cash (wholesaler data does give  
 one customer - Dilated (MS))

Algorithm

2 wholesalers

Spoken - both on site visits  
 tomorrow of director of investigator to  
 go w/ wholesaler visit to  
 doctor.

X # prescriptions per month

# for your product in month  
 for certain strength

# paid by cash

DGA can figure out by MDC # who  
 made it

if 95% in cash is an indicator

Rebate reports/systems - see what distributed  
 paid by cash



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Rebecca - What agreements do you have w/ wholesalers if they see anything odd?

Have not gotten to include in agreement

- Formal meetings + relationships

Environment has changed

half day meeting w/ wholesaler  
few years ago - at arms length  
now embraced

because of nature of abuse Looking for collaboration

Other companies set up formal program

Want to get to appropriate patients  
keep everyone in business

Aggregate view or DC to DC

how do you deal w/ network that  
they move product around?

- Look at aggregate

- Guidelines set up at Value Trak system

- tracks order variation vs parameters

- agreements include order variations

- if new customer, holiday or year end  
there will be variation, know up

look at it, they call Purdie  
so order is not held up

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Value Track -> data<sup>ed</sup> into their own  
system - more robust than  
Value track system  
use all in house resources

goal is not to refer stores to DEA  
DEA is expecting wholesales to do it,  
Purdue enabling them to do a  
better job monitored  
Purdue has referred to DEA in  
collaboration w/ wholesalers

Jack visits wholesalers once / every couple  
years  
mostly talk on phone  
calls / week top 4 once a  
week talk to their  
head order monitoring person

Pharmacies - been to 50 since program  
interview owner or pharmacist in  
charge

Confrontational - surveillance in parking  
lot  
take pictures

Las Vegas - bad situation  
OXY driven

Looking at Diluol.